
A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to find ways to
2 improve the financial health of the Hawaii employer-union health
3 benefits trust fund.

4 SECTION 2. (a) The department of budget and finance shall
5 conduct a study of the Hawaii employer-union health benefits
6 trust fund to improve the financial health of the Hawaii
7 employer-union health benefits trust fund. The study shall
8 include consideration of:

9 (1) The implementation of reforms that moderate the annual
10 contributions of public employers for the health
11 benefits of active and retired members while
12 maintaining sufficient health benefits coverage for
13 active and retired members;

14 (2) Ways to address the unfunded actuarial accrued
15 liability and the implementation of reforms to
16 amortize the unfunded actuarial accrued liability of
17 the trust fund over thirty years from July 1, 2014;



- 1 (3) The cost of providing benefits;
- 2 (4) Restructuring the board of directors of the Hawaii
- 3 employer-union health benefits trust fund to ensure
- 4 equitable and prompt decisions;
- 5 (5) Methods to ensure a reliable and adequate stream of
- 6 funding for the Hawaii employer-union health benefits
- 7 trust fund;
- 8 (6) The most effective and efficient ways to provide
- 9 healthcare coverage for participants in the Hawaii
- 10 employer-union health benefits trust fund;
- 11 (7) The fundamental alteration of the structure of the
- 12 Hawaii employer-union health benefits trust fund;
- 13 (8) Assurances of adequate county participation and the
- 14 determination of any impacts this may have on the
- 15 counties;
- 16 (9) The impacts that enactment of the Patient Protection
- 17 and Affordable Care Act of 2010 may have on the Hawaii
- 18 employer-union health benefits trust fund; and
- 19 (10) Any impacts of anticipated changes in the medicare
- 20 program on the Hawaii employer-union health benefits
- 21 trust fund.



1 (b) The department of budget and finance may conduct the
2 study in-house or contract a third party to conduct the study.

3 (c) In conducting the study, the department of budget and
4 finance or contractor, as applicable, shall consult with the
5 board of trustees, administrator, and staff of the Hawaii
6 employer-union health benefits trust fund and the exclusive
7 representatives of employees.

8 SECTION 3. (a) The department of budget and finance shall
9 submit to the governor, legislature, and board of trustees of
10 the Hawaii employer-union health benefits trust fund:

11 (1) An interim report no later than twenty days prior to
12 the convening of the regular session of 2013; and

13 (2) A final report that includes findings and
14 recommendations on the study no later than twenty days
15 prior to the convening of the regular session of 2014.

16 (b) The recommendations may include a proposal to
17 restructure the board of trustees of the Hawaii employer-union
18 health benefits trust fund or change the voting procedure.

19 (c) The board of trustees and the administrator and staff
20 of the Hawaii employer-union health benefits trust fund shall
21 cooperate with the department of budget and finance and its
22 contractor, if applicable, in conducting the study.

1 SECTION 4. The department of budget and finance shall not
2 include in the study any recommendation to diminish the health
3 benefits or public employers' contributions for employees who
4 retired from public service before July 1, 2013.

5 SECTION 5. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so much
7 thereof as may be necessary for fiscal year 2012-2013 to conduct
8 the study required by this Act.

9 The sum appropriated shall be expended by the department of
10 budget and finance for the purposes of this Act.

11 SECTION 6. This Act shall take effect on July 1, 2030.



Report Title:

EUTF; Reform Study; Appropriation

Description:

Requires the Department of Budget and Finance to conduct a study to reform the Hawaii Employer-Union Health Benefits Trust Fund. Requires the Department of Budget and Finance to submit to the Governor, Legislature, and Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund: (1) An interim report prior to the convening of the Regular Session of 2013; and (2) A report, including findings and recommendations, prior to the convening of the Regular Session of 2014. Appropriates funds for fiscal year 2012-2013 for the study. Effective July 1, 2030. (HB2661 HD2)

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